

**LEGISLATIVE SERVICES AGENCY  
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**FISCAL IMPACT STATEMENT**

**LS 6348**

**BILL NUMBER:** HB 1112

**NOTE PREPARED:** Dec 19, 2002

**BILL AMENDED:**

**SUBJECT:** Privacy of Consumer Information.

**FIRST AUTHOR:** Rep. Cheney

**FIRST SPONSOR:**

**BILL STATUS:** As Introduced

**FUNDS AFFECTED:** X GENERAL  
DEDICATED  
FEDERAL

**IMPACT:** State

**Summary of Legislation:** This bill prohibits certain entities from disclosing nonpublic personal information of a consumer to an unrelated third party if the information will be used for a business or marketing purpose. The bill allows the Attorney General to bring an action to collect a civil penalty for a violation.

**Effective Date:** July 1, 2003.

**Explanation of State Expenditures:** The bill expands the responsibilities of the Attorney General's Consumer Protection Division to include the investigation and resolution of offenses related to the illegal disclosure of consumers' nonpublic personal information. The impact of this provision on the Attorney General's office will depend on the frequency with which nonpublic information is exchanged between affected firms for marketing use and the extent to which the Attorney General's office pursues violators. However, it is presumed that the Attorney General's office would be required to hire additional staff to fully address the bill's requirements.

The funds and resources required above could be supplied through a variety of sources, including the following: (1) Existing staff and resources not currently being used to capacity; (2) Existing staff and resources currently being used in another program; (3) Authorized, but vacant, staff positions, including those positions that would need to be reclassified; (4) Funds that, otherwise, would be reverted; or (5) New appropriations. In FY 2003, the Attorney General reverted \$3,865. Ultimately, the source of funds and resources required to satisfy the requirements of this bill will depend upon legislative and administrative actions.

**Explanation of State Revenues:** *Civil Penalties:* A person who violates the bill's provisions is subject to

a \$1,500 civil penalty for each violation.

*Court Fee Revenue:* If additional civil actions occur, revenue to the state General Fund may increase if court fees are collected. A civil filing fee of \$100 would be assessed when a civil case is filed. 70% of the filing fee would be deposited in the state General Fund if the case is filed in a court of record or 55% if the case is filed in a city or town court.

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:** *Court Fee Revenue:* If additional civil actions occur, local governments would receive revenue from the following sources. The county general fund would receive 27% of the \$100 filing fee that is assessed in a court of record. Cities and towns maintaining a law enforcement agency that prosecutes at least 50% of its ordinance violations in a court of record may receive 3% of court fees. If the case is filed in a city or town court, 20% of the court fee would be deposited in the county general fund and 25% would be deposited in the city or town general fund.

**State Agencies Affected:** Attorney General.

**Local Agencies Affected:** Trial courts, city and town courts.

**Information Sources:** Jennifer Thuma, Legislative Counsel, Attorney General's Office, 233-6143.

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